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AN ACT

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RELATING TO LOCAL GOVERNMENTS; AMENDING THE CIVIC AND
CONVENTION CENTER FUNDING ACT TO INCREASE THE MAXIMUM RATE OF
A CONVENTION CENTER FEE, TO ALLOW RATE DECREASES UNDER
CERTAIN CIRCUMSTANCES AND TO BROADEN THE PURPOSES FOR WHICH
FEE REVENUES MAY BE EXPENDED; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 5-14-4 NMSA 1978 (being Laws 2003, Chapter 374,
Section 4) is amended to read:

"5-14-4. IMPOSITION OF CONVENTION CENTER FEE--USE OF
PROCEEDS.--

A. A local governmental entity that has met the requirements of
Section 5-14-3 NMSA 1978 may impose by ordinance a fee on the use of a room at
a lodging facility within the local governmental entity; provided that a fee imposed
by a county shall only apply to lodging facilities located within twenty miles of the
corporate limits of the qualified municipality. The fee may be referred to as the
"convention center fee". The amount of the convention center fee shall not exceed
two percent of the gross room revenue for each day the room is occupied by a
vendee. The convention center fee may be imposed in increments and, pursuant to
Subsection D of this section, may be decreased in increments.

B. The convention center fee shall be imposed only for the period
necessary for payment of principal and interest on revenue bonds issued to
accomplish the purpose for which the revenue is dedicated, but the period shall not
exceed thirty years from the date of the ordinance imposing the fee.

C. A local governmental entity shall dedicate the revenue from the
convention center fee at the time that the ordinance imposing the fee is enacted

1 and limit the use of the revenue to the following:

2 (1) the design, construction, equipping, furnishing,
3 landscaping and other costs associated with the development of a civic and
4 convention center and adjoining parking garage located within the qualified
5 municipality;

6 (2) payments of principal, interest or prior redemption
7 premiums due in connection with and any other charges pertaining to revenue
8 bonds authorized by the Civic and Convention Center Funding Act, including
9 payments into any sinking fund or reserve fund required by the revenue bond
10 ordinance;

11 (3) costs of collecting and otherwise administering the
12 convention center fee; provided that administration costs shall not be paid if there
13 are current payments due pursuant to Paragraph (2) of this subsection and that no
14 more than ten percent of the revenue collected in any fiscal year shall be used to
15 pay administration costs;

16 (4) operation costs of the civic and convention center and
17 adjoining parking garage located within the qualified municipality; provided that no
18 such costs shall be paid if there are current payments due pursuant to Paragraph
19 (2) of this subsection; and

20 (5) payments into a capital reserve fund established for the
21 future payment for capital maintenance and improvements and equipment
22 replacement costs of the civic and convention center and adjoining parking garage
23 located within the qualified municipality; provided that:

24 (a) no payments shall be made pursuant to this
25 paragraph if there are current payments due pursuant to Paragraph (2) of this
subsection; and

(b) at least once every five years, the local

1 governmental entity shall compare the amount of money in the fund with the
2 expected future expenditures from the fund and decide if the convention center fee
3 can be reduced pursuant to Subsection D of this section.

4 D. A local governmental entity may decrease the rate of a
5 convention center fee if:

6 (1) all required payments have been made pursuant to
7 Subsection C of this section and the required levels of and estimated payments
8 from any reserve fund, sinking fund or capital reserve fund can be sustained at a
9 decreased rate;

10 (2) the decreased fee will not otherwise directly or indirectly
11 impair outstanding revenue bonds issued under Section 5-14-13 NMSA 1978; and

12 (3) the local government division of the department of
13 finance and administration finds that the requirements of Paragraphs (1) and (2) of
14 this subsection have been satisfied and otherwise approves the fee decrease."

15 Section 2. Section 5-14-13 NMSA 1978 (being Laws 2003, Chapter 374,
16 Section 13) is amended to read:

17 "5-14-13. REVENUE BONDS.--

18 A. Revenue bonds may be issued at any time by a qualified
19 municipality that has imposed a convention center fee to defray wholly or in part the
20 costs authorized in Paragraph (1) of Subsection C of Section 5-14-4 NMSA 1978.
21 The revenue bonds may be payable from and payment may be secured by a pledge
22 of and lien on the revenue derived from:

23 (1) the proceeds of the convention center fee of the qualified
24 municipality and the proceeds of the convention center fee of a county that has
25 entered into a joint powers agreement with the qualified municipality to impose a
convention center fee, the proceeds of which shall be dedicated to the payment of
revenue bonds for a civic and convention center in the qualified municipality;

1 (2) a civic and convention center to which the bonds pertain,
2 after provision is made for the payment of the operation and maintenance expenses
3 of the civic and convention center;

4 (3) that portion of the proceeds of the occupancy tax of the
5 qualified municipality available for payment of revenue bonds pursuant to
6 Paragraph (1) of Subsection B of Section 3-38-23 NMSA 1978;

7 (4) any other legal available revenues of the qualified
8 municipality; or

9 (5) a combination of revenues from the sources designated
10 in Paragraphs (1) through (4) of this subsection.

11 B. The bonds shall bear interest at a rate or rates as authorized in
12 the Public Securities Act, and the first interest payment may be for any period
13 authorized in the Public Securities Act.

14 C. Except as otherwise provided in the Civic and Convention Center
15 Funding Act, revenue bonds authorized in that act shall be issued in accordance
16 with the provisions of Sections 3-31-2 through 3-31-6 NMSA 1978."

17 Section 3. EMERGENCY.--It is necessary for the public peace, health and
18 safety that this act take effect immediately.

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